

FEDERAL RESERVE SYSTEM

Agency Information Collection Activities: Proposed Collection; Comment Request

AGENCY: Board of Governors of the Federal Reserve System

SUMMARY: Background.

On June 15, 1984, the Office of Management and Budget (OMB) delegated to the Board of Governors of the Federal Reserve System (Board) its approval authority under the Paperwork Reduction Act, as per 5 CFR 1320.16, to approve of and assign OMB control numbers to collection of information requests and requirements conducted or sponsored by the Board under conditions set forth in 5 CFR 1320 Appendix A.1. Board-approved collections of information are incorporated into the official OMB inventory of currently approved collections of information. Copies of the OMB 83-Is and supporting statements and approved collection of information instruments are placed into OMB's public docket files. The Federal Reserve may not conduct or sponsor, and the respondent is not required to respond to, an information collection that has been extended, revised, or implemented on or after October 1, 1995, unless it displays a currently valid OMB control number.

Request for comment on information collection proposal.

The following information collection, which is being handled under this delegated authority, has received initial Board approval and is hereby published for comment. At the end of the comment period, the proposed information collection, along with an analysis of comments and recommendations received, will be submitted to the Board for final approval under OMB delegated authority. Comments are invited on the following:

- a. whether the proposed collection of information is necessary for the proper performance of the Federal Reserve's functions, including whether the information has practical utility;
- b. the accuracy of the Federal Reserve's estimate of the burden of the proposed information collection, including the validity of the methodology and assumptions used;
- c. ways to enhance the quality, utility, and clarity of the information to be collected; and
- d. ways to minimize the burden of information collection on respondents, including through the use of automated collection techniques or other forms of information technology.

DATES: Comments must be submitted on or before June 9, 2003.

ADDRESSES: Comments may be mailed to Ms. Jennifer J. Johnson, Secretary, Board of Governors of the Federal Reserve System, 20th Street and Constitution Avenue, N.W., Washington, DC 20551. However, because paper mail in the Washington area and at the

Board of Governors is subject to delay, please consider submitting your comments by e-mail to regs.comments@federalreserve.gov, or faxing them to the Office of the Secretary at 202-452-3819 or 202-452-3102. Comments addressed to Ms. Johnson may also be delivered to the Board's mail facility in the West Courtyard between 8:45 a.m. and 5:15 p.m., located on 21st Street between Constitution Avenue and C Street, N.W. Members of the public may inspect comments in Room MP-500 between 9:00 a.m. and 5:00 p.m. on weekdays pursuant to 261.12, except as provided in 261.14, of the Board's Rules Regarding Availability of Information, 12 CFR 261.12 and 261.14.

A copy of the comments may also be submitted to the OMB desk officer for the Board: Joseph Lackey, Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Room 10235, Washington, DC 20503.

FOR FURTHER INFORMATION CONTACT: A copy of the Paperwork Reduction Act Submission (OMB 83-I), supporting statement, and other documents that will be placed into OMB's public docket files once approved may be requested from the agency clearance officer, whose name appears below.

Cindy Ayouch, Federal Reserve Board Clearance Officer (202-452-3829), Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, DC 20551. Telecommunications Device for the Deaf (TDD) users may contact (202-263-4869), Board of Governors of the Federal Reserve System, Washington, DC 20551.

Proposal to approve under OMB delegated authority the extension for three years, without revision, of the following report:

Report title: Reporting and Disclosure Requirements Associated with Regulation P

Agency form number: unnum Reg P

OMB control number: 7100-0294

Frequency: Reporting, on-occasion; and disclosure, annually.

Reporters: State member banks, subsidiaries of state member banks, bank holding companies and its subsidiaries or affiliates, branches and agencies of foreign banks, commercial lending companies owned or controlled by foreign banks, corporations operating under section 25 or 25A of the Federal Reserve Act, and customers of these financial institutions.

Annual reporting hours: 427,500 hours

Estimated average hours per response: Financial institution disclosure requirements: Initial notice, 40 hours; annual notice, 1 hour; opt-out notice to consumers, 1 hour; and notice of change in terms, 1 hour. Consumer reporting requirements: opt-out notice, 1 hour; and continuing right to opt-out, 1 hour.

Number of respondents: 9,500

Small businesses are affected.

General description of report: This information collection is mandatory (12 U.S.C. 248) and the Gramm-Leach-Bliley Act (Pub. L. 106-102, Sec. 504). Since the Federal Reserve does not collect any information, no issue of confidentiality normally arises.

Abstract: The information collection pursuant to Regulation P is triggered by the establishment of a relationship between a customer and a financial institution. The regulation ensures that financial institutions provide customers notice of the privacy policies and practices of financial institutions and a means to prevent the disclosure of nonpublic personal information, in certain circumstances. Where applicable, financial institutions are required to provide an initial notice and an annual notice of their privacy policies and practices, opt-out notices, and revised notices containing changes in policies and procedures.

In 2000, the Federal Reserve, along with the Federal Deposit Insurance Corporation (FDIC), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), National Credit Union Administration (NCUA), Federal Trade Commission (FTC), and Securities and Exchange Commission (SEC) (“the agencies”) jointly agreed on burden estimates when they promulgated the privacy regulations.

In early 2003, an inter-agency working group¹ agreed to jointly re-estimate the paperwork burden of their privacy regulations. To avoid expiration of the authority for the information collections while the review is being completed, the group agreed to separately publish for comment estimates based on the 2000 assumptions. The OCC, FDIC, and OTS published initial *Federal Register* notices using the 2000 estimates; the comment periods have closed. Each of these agencies have received comments. After the Federal Reserve’s public comment period has closed, the agencies will jointly review all of the comments received. Then the agencies will publish a joint final notice with revised final estimates in the *Federal Register*.

Board of Governors of the Federal Reserve System, April 3, 2003.

(signed)

Jennifer J. Johnson,
Secretary of the Board.

¹ The working group consists of staff from the Federal Reserve, FDIC, OCC, and OTS.